



General Assembly

January Session, 2009

**Amendment**

LCO No. 6959

**\*SB0082306959SD0\***

Offered by:  
SEN. PRAGUE, 19<sup>th</sup> Dist.

To: Subst. Senate Bill No. 823

File No. 289

Cal. No. 260

**"AN ACT CONCERNING REVISIONS TO THE INSURANCE  
STATUTES."**

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. Section 38a-519 of the general statutes is repealed and the  
4 following is substituted in lieu thereof (*Effective July 1, 2009*):

5 (a) No group health insurance policy [which] that provides  
6 disability income protection coverage, delivered, [or] issued for  
7 delivery, renewed, amended [or renewed,] or continued in this state,  
8 [on or after January 1, 1976,] and no application, rider or endorsement  
9 used in connection therewith shall contain an offset proviso. [No such  
10 policy in effect on January 1, 1976, and no application, rider or  
11 endorsement used in connection therewith shall after January 1, 1981,  
12 contain an offset proviso.] For the purposes of this section, an "offset  
13 proviso" means any provision of an insurance policy [which] that  
14 allows the insurer to reduce [his] its liability for loss or expense from  
15 sickness or from bodily injury of the insured by reason of any increase

16 in [the] other disability benefits that occur on or after the date a claim  
17 commences under [any] such policy.

18 (b) (1) Each group long-term disability income protection coverage  
19 policy that is delivered, issued for delivery, renewed, amended or  
20 continued in this state on or after January 1, 2010, and any application,  
21 rider or endorsement used in connection therewith shall provide to an  
22 applicant or a policyholder the option to choose long-term disability  
23 income protection coverage that: (A) Prohibits the insurer from  
24 reducing its liability for loss or expense from sickness or from bodily  
25 injury of the insured by reason of disability benefits received by the  
26 insured under the Social Security Act, as amended from time to time;  
27 or (B) contains an offset for disability benefits received by the applicant  
28 or insured under the Social Security Act, as amended from time to  
29 time, provided the premium rate for such option reflects such offset.

30 (2) The insurer shall provide a written notice to an applicant or  
31 policyholder that discloses the premium rates for each option set forth  
32 in subparagraphs (A) and (B) of subdivision (1) of this subsection and  
33 the effect of the offset on any benefits under such policy. The applicant  
34 or policyholder shall acknowledge such applicant's or policyholder's  
35 option selection to the insurer in writing.

36 (3) If a policyholder selects a group long-term disability income  
37 protection coverage policy that contains an offset, the insurer and such  
38 policyholder shall offer to its certificate holders the option of a rider to  
39 provide a certificate holder long-term disability income protection  
40 coverage equivalent to such policy without an offset. Such rider shall  
41 be voluntary and the policyholder may require the certificate holder to  
42 pay the entire cost of such rider.

43 (c) Any benefits received by any dependent of the applicant or  
44 insured or received by such applicant or insured on behalf of such  
45 dependent shall be excluded from the offset option set forth in  
46 subdivision (1) of subsection (b) of this section.

47 Sec. 502. (NEW) (*Effective July 1, 2009*) (a) Each individual long-term

48 disability income protection coverage policy that is delivered, issued  
49 for delivery, renewed, amended or continued in this state on or after  
50 January 1, 2010, and any application, rider or endorsement used in  
51 connection therewith shall provide to an applicant or insured the  
52 option to choose long-term disability income protection coverage that:  
53 (1) Prohibits the insurer from reducing its liability for loss or expense  
54 from sickness or from bodily injury of the insured by reason of any  
55 other disability benefits received by the insured; or (2) contains an  
56 offset for disability benefits received by the applicant or insured under  
57 the Social Security Act, as amended from time to time, provided the  
58 premium rate for such option reflects such offset.

59 (b) The insurer shall provide a written notice to an applicant or  
60 insured that discloses the premium rates for each option set forth in  
61 subdivisions (1) and (2) of subsection (a) of this section and the effect  
62 of the offset on any benefits under such policy. The applicant or  
63 insured shall acknowledge such applicant's or insured's option  
64 selection to the insurer in writing.

65 (c) Any benefits received by any dependent of the applicant or  
66 insured or received by such applicant or insured on behalf of such  
67 dependent shall be excluded from the offset option set forth in  
68 subdivision (2) of subsection (a) of this section."